

RECORDATION NO. 6304-B Filed & Recorded

LEASE SUPPLEMENT NO. 2

AUG 26 1971 - 2:20 PM

SETTLEMENT DATE - AUGUST 26, 1971

INTERSTATE COMMERCE COMMISSION

THIS LEASE SUPPLEMENT is executed and delivered by BANKERS TRUST COMPANY, as Trustee under a Trust Agreement dated as of April 1, 1971 (herein called the "Lessor"), and TEXAS, OKLAHOMA & EASTERN RAILROAD COMPANY (herein called the "Lessee") in accordance with the terms and as a part of that certain Lease of Railroad Equipment dated as of June 1, 1971 (the "Lease"), between the Lessor and the Lessee (the defined terms in the Lease being herein used with the same meaning):

A. DESCRIPTION OF UNITS COVERED BY THIS LEASE SUPPLEMENT (include name of Manufacturer, the Manufacturer's Specifications; and the Lessee's Road Number):

50 7500 cu. ft. wood chip cars manufactured by Thrall Car Manufacturing Company, Manufacturer's Specifications GN-100-60-110A, and bearing Lessee's Road Numbers TO&E 1200 through TO&E 1249.

B. TOTAL COST OF UNITS COVERED BY THIS LEASE SUPPLEMENT. \$871,598.50 (\$17,431.97 per Unit) (herein called the "Owner's Cost").

C. TERM. The term of this Lease for each Unit covered by this Lease Supplement shall commence on the date of delivery of such Unit as provided in Section 6 of the Lease and shall continue through September 30, 1991.

D. RENT. For each Unit leased under this Lease Supplement, the Lessee hereby agrees to pay rent for the term of the Lease in 40 consecutive semiannual instalments commencing March 31, 1972, the first 10 of which shall each be in an amount equal to 3.198% of the Owner's Cost of such Unit and the last 30 of which shall each be in an amount equal to 4.609% of the Owner's Cost as to such Unit; provided, however, that if any of the payment dates referred to above is a Saturday, Sunday or a public holiday under the laws of the State of New York, the payment shall be payable on the immediately preceding business day. In addition to the foregoing instalments of rent the Lessee agrees to pay on the Permanent Funding Date (as defined in the Finance Agreement) as an additional instalment of rent for each Unit leased under this Lease Supplement for the period commencing the Settlement Date set forth herein to and including the Permanent Funding Date, an amount equal to 7.22% of the Owner's Cost of the Unit leased hereunder.

E. DELIVERY. The Lessee hereby represents, warrants and confirms to the Lessor that the Units covered by this Lease Supplement have been duly delivered to the Lessee at the location referred to in Section 6 of the Lease, that the Lessee has duly inspected said Units and that the Lessee hereby accepts said Units for all purposes

of the Lease and for the Trustee under the Chip Car conditional Sale Agreement as being in accordance with the Chip Car Specifications, properly constructed, in good working order, repair and appearance and without defect or inherent vice in condition, design, operation or fitness for use, whether or not discoverable by the Lessee as of the date hereof, and free and clear of all liens, encumbrances and rights of others whatsoever, whether or not resulting from claims against the Lessor not related to the ownership of said Units; provided, however, that nothing contained herein or in the Lease shall in any way diminish or otherwise affect any right the Lessee or the Lessor may have with respect to said Units against the seller or any manufacturer of said Units or any part thereof.

F. STIPULATED LOSS VALUE. Upon the happening of any event referred to in the first sentence of Section 9 of the Lease with respect to any Unit covered by this Lease Supplement, the Lessee hereby agrees to pay to the Lessor on the rental payment date next following the giving of notice of such event to the Agent and the Lessee required by Section 9 of the Lease (or, in the event that such rental payment date shall occur within five days after such notice, on the next succeeding rental payment date) of such event, the Stipulated Loss Value of such Unit computed as of such rental payment date. As of each rental payment date the Stipulated Loss Value of any Unit

covered by this Lease Supplement shall be the percentage of the Owner's Cost for such Unit set opposite the number of such rental payment below:

<u>Number of Rental Payment</u>	<u>% of Owner's Cost</u>	<u>Number of Rental Payment</u>	<u>% of Owner's Cost</u>
1	105.5728%	21	85.0878%
2	109.4395	22	82.2769
3	112.5687	23	79.4242
4	114.8834	24	76.5296
5	116.2987	25	73.5929
6	116.7312	26	70.6143
7	116.6456	27	67.5936
8	116.3250	28	64.5309
9	115.7643	29	61.4263
10	114.9586	30	58.2799
11	110.9364	31	55.0920
12	108.5327	32	51.8627
13	106.0896	33	48.5923
14	103.6066	34	45.2811
15	101.0835	35	42.1422
16	98.5201	36	37.9797
17	95.9159	37	33.1488
18	93.2708	38	27.6507
19	90.5846	39	21.4866
20	87.8570	40	15.0000

Thereafter

Upon payment of the Stipulated Loss Value of such Unit and all rent due under this Lease Supplement up to and including the rental payment date on which such payment of Stipulated Loss Value is due as provided above, no further rental payment shall be due under Section D of this Lease Supplement as to such Unit.

G. IDENTIFICATION. The Lessee hereby further represents and warrants that the Units described above have been duly marked with insignia, plates or other

identification showing the Lessor's title thereto in accordance with the terms of Section 23 of the Lease.

H. RENEWAL OPTION. The Lessee shall have the option of extending for a term of five years the initial term of the Lease with respect to any Unit leased under this Lease Supplement. The Lessee shall exercise such option by giving the Lessor written notice of such election, specifying the Units as to which such option is being exercised, not less than 90 but not more than 180 days prior to the expiration of the Lease. The rent during such renewal term shall be payable on the last day of March and September during such renewal term and each such installment of rent shall be an amount equal to 7.5% of the aggregate fair market sales value at the expiration of the Lease of the Units as to which the renewal option has been exercised. For purposes of this paragraph "fair market sales value" shall be determined as provided in the second and third sentences of Section 16 of the Lease.

APPROVED AND AGREED TO by and between the parties hereto as of the Settlement Date specified above.

TEXAS, OKLAHOMA & EASTERN
RAILROAD COMPANY

By *Wm. D. Vassenger*
Title: *Attorney-in-Fact*

BANKERS TRUST COMPANY, as Trustee

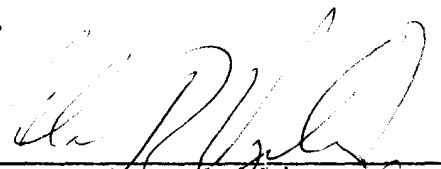
By *J. E. Shaw*
Title: *VICE PRESIDENT*

WEYERHAEUSER COMPANY

By *Wm. D. Vassenger*
Title: *Attorney-in-Fact*

STATE OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On this 25th day of August, 1971, before me personally appeared ALAN P. VANDEVERT, to me personally known, who being by me duly sworn, says that he is Attorney-in-Fact for TEXAS, OKLAHOMA & EASTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



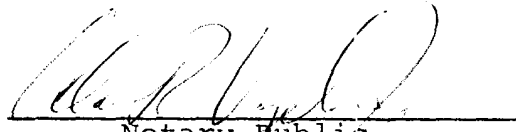
 Notary Public

[Notarial Seal]

Notary Public
 State of New York
 My Comm. Expires 12/31/72
 My Comm. No. 123456
 My Exp. Date 12/31/72

STATE OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On this 26th day of August, 1971, before me personally appeared G. E. MAIER, to me personally known, who, being by me duly sworn, says that he is a Vice President of BANKERS TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

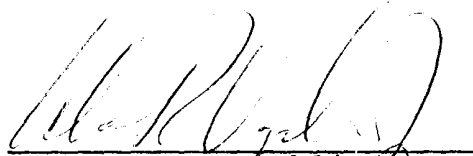

 Notary Public

[Notarial Seal]

Notary Public
 State of New York
 My Comm. Expires 12/31/73

STATE OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On this 25th day of August, 1971, before me personally appeared ALAN P. VANDEVERT, to me personally known, who being by me duly sworn, says that he is Attorney-in-Fact for WEYERHAEUSER COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


 Notary Public

[Notarial Seal]

ALAN R. VOGELER, JR.
 Notary Public, State of New York
 No. 31-4107975
 Qualified in New York County
 Commission Expires March 30, 1973